

BY

Murphy
Leiva
Barrientos
Truitt

S.J.R. NO. 34

A JOINT RESOLUTION

proposing a constitutional amendment to authorize the use of existing bond authorization for economically distressed areas.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III, Section 49-d-7(e) of the Texas Constitution is amended as follows:

(e) The legislature may provide by law for subsidized loans and grants from the proceeds of bonds authorized by this section to provide wholesale and retail water and wastewater facilities to economically distressed areas of the state as defined by law, provided, the principal amount of bonds that may be issued for the purposes under this subsection may not exceed 50 [20] percent of the total amount of bonds authorized by this section. Separate accounts shall be established in the water development fund for administering the proceeds of bonds issued for purposes under this subsection, and an interest and sinking fund separate from and not subject to the limitations of the interest and sinking fund created pursuant to Section 49-c for other Texas water development bonds is established in the State Treasury to be used for paying the principal of an interest on bonds for the purposes of the subsection. While any of the bonds authorized for the purposes of this subsection or any of the interest on those bonds is outstanding and unpaid, there is appropriated out of the first money coming into the State Treasury in each fiscal year, not otherwise appropriated by this constitution, an [and]

1 amount that is sufficient to pay the principal of and interest on
2 those bonds issued for the purposes under this subsection that
3 mature or become due during that fiscal year.

4 SECTION 2. The constitutional amendment proposed by Section
5 1 of this resolution shall be submitted to the voters at an
6 election to be held November 5, 1991. The ballot shall be
7 printed to provide for voting for or against the proposition:
8 "The constitutional amendment to authorize the use of existing
9 Texas water development bonds for economically distressed areas."

By: Montford, Barrientos, Truan S.J.R. No. 34
(In the Senate - Filed March 8, 1991; March 12, 1991, read first time and referred to Committee on Finance; April 16, 1991, reported adversely, with favorable Committee Substitute by the following vote: Yeas 9, Nays 0; April 16, 1991, sent to printer.)

COMMITTEE VOTE

	Yea	Nay	PNV	Absent
Montford	x			
Barrientos	x			
Armbrister	x			
Bivins				x
Brooks	x			
Haley				x
Johnson	x			
Parker				x
Ratliff	x			
Sims				x
Tejeda	x			
Truan	x			
Turner	x			

COMMITTEE SUBSTITUTE FOR S.J.R. No. 34

By: Montford

SENATE JOINT RESOLUTION

proposing a constitutional amendment to increase the amount of bonds that may be issued for economically distressed areas under existing bond authorization.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III, Section 49-d-7(e), of the Texas Constitution is amended to read as follows:

(e) The legislature may provide by law for subsidized loans and grants from the proceeds of bonds authorized by this section to provide wholesale and retail water and wastewater facilities to economically distressed areas of the state as defined by law, provided, the principal amount of bonds that may be issued for the purposes under this subsection may not exceed 50 [20] percent of the total amount of bonds authorized by this section. Separate accounts shall be established in the water development fund for administering the proceeds of bonds issued for purposes under this subsection, and an interest and sinking fund separate from and not subject to the limitations of the interest and sinking fund created pursuant to Section 49-c for other Texas water development bonds is established in the State Treasury to be used for paying the principal of and interest on bonds for the purposes of this subsection. While any of the bonds authorized for the purposes of this subsection or any of the interest on those bonds is outstanding and unpaid, there is appropriated out of the first money coming into the State Treasury in each fiscal year, not otherwise appropriated by this constitution, an [and] amount that is sufficient to pay the principal of and interest on those bonds issued for the purposes under this subsection that mature or become due during that fiscal year.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 5, 1991. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment to increase from 20 percent to 50 percent the percentage of Texas water development bonds previously authorized by Texas voters that may be issued for economically distressed areas."

* * * * *

Austin, Texas
April 16, 1991

Hon. Bob Bullock
President of the Senate

Sir:

We, your Committee on Finance to which was referred S.J.R. No. 34, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass and be printed.

Montford, Chairman

**FAVORABLY AS SUBSTITUTED
SENATE COMMITTEE REPORT ON**

SB SCR SJR SR HB HCR HJR 34

By

Montford
(Author/Senate Sponsor)

4-15-91

(date of submission to Senate)

Lt. Governor Bob Bullock
President of the Senate

Sir:

We, your Committee on Finance, to which was referred the attached measure, have on 4-11-91, had the same under consideration and I am instructed to report it back with the recommendation (s) that it:

- ☒ do pass as substituted, and be printed
☐ the caption remained the same as original measure
☒ the caption changed with adoption of the substitute
☐ do pass as substituted, and be ordered not printed
☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☒ yes ☐ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☐ yes ☒ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Montford, Chairman	<input checked="" type="checkbox"/>			
Barrientos, Vice-Chairman	<input checked="" type="checkbox"/>			
Armbrister	<input checked="" type="checkbox"/>			
Bivins			<input checked="" type="checkbox"/>	
Brooks	<input checked="" type="checkbox"/>			
Haley			<input checked="" type="checkbox"/>	
Johnson	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Parker			<input checked="" type="checkbox"/>	
Ratliff	<input checked="" type="checkbox"/>			
Sims			<input checked="" type="checkbox"/>	
Tejeda	<input checked="" type="checkbox"/>			
Truan	<input checked="" type="checkbox"/>			
Turner	<input checked="" type="checkbox"/>			
TOTAL VOTES	9	0	4	0

COMMITTEE ACTION

S260 Considered in public hearing

S270 Testimony taken

[Signature]
COMMITTEE CLERK

[Signature]
CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill along with TWO copies of the Committee Substitute
 Deliver one copy of this form to the Calendar Clerk, Room 218 Capitol
 Deliver one copy of this form to the Legislative Reference Library, Room 207B Capitol
 Retain one copy of this form for Committee files

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

REVISED

April 11, 1991

**TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas**

**IN RE: Senate Joint Resolution No. 34
By: Montford**

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 34 (proposing a constitutional amendment to authorize the use of existing bond authorization for economically distressed areas) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution would amend an amendment to the constitution which was passed by the voters in November 1989. The prior amendment provided for the issuance of \$500 million in general obligation bonds to finance water supply, water quality and flood control projects undertaken by political subdivisions. That amendment, as adopted, authorized the Legislature to provide subsidized loans and grants to provide water and wastewater facilities to economically distressed areas in an amount not to exceed 20 percent of the authorization, or \$100 million.

The resolution would increase the amount of the \$500 million authorization that may be devoted to economically distressed areas from 20 percent to 50 percent. This equates to an increase in bonds from \$100 million to \$250 million.

It is assumed that the maximum grant authorization would be used and that general revenue would be used to pay back 75 percent of each of six \$50 million annual bond issues.

The probable cost of implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Cost Out of the General Revenue Fund</u>
1992	\$ 0
1993	0
1994	0
1995	1,707,041
1996	3,414,083

Similar annual costs would continue to increase to \$15 million from 2001 through 2015 and then decline to \$2.5 million in 2020, the last year of the payout. Total payout for the bond issues would amount to approximately \$215 million.

It is anticipated that units of local governments participating in the economically distressed area program would realize a savings of \$314,466,347 in the financing of projects authorized by the bill.

**Source: Bond Review Board, Texas Water Development Board;
LBB Staff: JO, JWH, DF, LD, PA**

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 22, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 34
By: Montford

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 34 (proposing a constitutional amendment to authorize the use of existing bond authorization for economically distressed areas) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

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<u>Fiscal Year</u>	<u>Probable Cost Out of the General Revenue Fund</u>
1992	\$ -0-
1993	-0-
1994	3,750,000
1995	7,500,000
1996	11,250,000

Similar annual costs would continue as long as the provisions of the resolution are in effect.

The fiscal implication to units of local government cannot be determined.

Source: Bond Review Board;
LBB Staff: JO, JWH, DF, LD, LC

1 otherwise appropriated by this constitution, an [~~and~~] amount that
2 is sufficient to pay the principal of and interest on those bonds
3 issued for the purposes under this subsection that mature or become
4 due during that fiscal year.

5 SECTION 2. This proposed constitutional amendment shall be
6 submitted to the voters at an election to be held November 5, 1991.
7 The ballot shall be printed to provide for voting for or against
8 the proposition: "The constitutional amendment to increase from 20
9 percent to 50 percent the percentage of Texas water development
10 bonds previously authorized by Texas voters that may be issued for
11 economically distressed areas."

April 18 1991 Engrossed

Ratay Law
Engrossing Clerk

1991 APR 30 PM 1:19

HOUSE OF REPRESENTATIVES

I certify that the attached is a true and correct
copy of SJR 34 which was

received from the Senate on APR 18 1991 and

referred to the Committee on Natural

Resources
Barry Messing
Chief Clerk of the House

By: Montford, et al.
(Oliveira)

S.J.R. No. 34

SENATE JOINT RESOLUTION

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12 purposes under this subsection may not exceed 50 [20] percent of
13 the total amount of bonds authorized by this section. Separate
14 accounts shall be established in the water development fund for
15 administering the proceeds of bonds issued for purposes under this
16 subsection, and an interest and sinking fund separate from and not
17 subject to the limitations of the interest and sinking fund created
18 pursuant to Section 49-c for other Texas water development bonds is
19 established in the State Treasury to be used for paying the
20 principal of and interest on bonds for the purposes of the
21 subsection. While any of the bonds authorized for the purposes of
22 this subsection or any of the interest on those bonds is
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10 bonds previously authorized by Texas voters that may be issued for
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LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 15, 1991

**TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas**

**IN RE: Committee Substitute for
Senate Joint Resolution No. 34**

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution No. 34 (proposing a constitutional amendment to increase the amount of bonds that may be issued for economically distressed areas under existing bond authorization) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution would amend an amendment to the constitution which was passed by the voters in November 1989. The prior amendment provided for the issuance of \$500 million in general obligation bonds to finance water supply, water quality and flood control projects undertaken by political subdivisions. That amendment, as adopted, authorized the Legislature to provide subsidized loans and grants to provide water and wastewater facilities to economically distressed areas in an amount not to exceed 20 percent of the authorization, or \$100 million.

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**Source: Bond Review Board, Texas Water Development Board;
LBB Staff: JO, JWH, DF, LD, PA**

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE

REVISED

April 11, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 34
By: Montford

FROM: Jim Oliver, Director

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LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 22, 1991

**TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas**

**IN RE: Senate Joint Resolution No. 34
By: Montford**

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Source: Bond Review Board;
LBB Staff: JO, JWH, DF, LD, LC

HOUSE COMMITTEE REPORT

51 MAY -7 PM 8:56

1st Printing

By: Montford, et al.
(Oliveira)

S.J.R. No. 34

SENATE JOINT RESOLUTION

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13 the total amount of bonds authorized by this section. Separate
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19 established in the State Treasury to be used for paying the
20 principal of and interest on bonds for the purposes of the
21 subsection. While any of the bonds authorized for the purposes of
22 this subsection or any of the interest on those bonds is
23 outstanding and unpaid, there is appropriated out of the first
24 money coming into the State Treasury in each fiscal year, not

1 otherwise appropriated by this constitution, an [and] amount that
2 is sufficient to pay the principal of and interest on those bonds
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4 due during that fiscal year.

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6 submitted to the voters at an election to be held November 5, 1991.
7 The ballot shall be printed to provide for voting for or against
8 the proposition: "The constitutional amendment to increase from 20
9 percent to 50 percent the percentage of Texas water development
10 bonds previously authorized by Texas voters that may be issued for
11 economically distressed areas."

COMMITTEE REPORT

The Honorable Gib Lewis
Speaker of the House of Representatives

May 6, 1991
(date)

Sir:
We, your COMMITTEE ON NATURAL RESOURCES,
to whom was referred SJR 34 have had the same under consideration and beg to report
(measure)
back with the recommendation that it

(x) do pass, without amendment.
() do pass, with amendment(s).
() do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.
A fiscal note was requested. (X) yes () no An author's fiscal statement was requested. () yes (x) no
A criminal justice policy impact statement was requested. () yes (x) no
An equalized educational funding impact statement was requested. () yes (x) no
An actuarial analysis was requested. () yes (x) no
A water development policy impact statement was requested. () yes (x) no
A federal funds impact statement was requested. () yes (x) no
() The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.
This measure () proposes new law. (x) amends existing law.
House Sponsor of Senate Measure Oliveira

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Lewis, R., Ch.	x			
Willy, V.C.	x			
Collazo, C.B.O.				x
Bosse	x			
Greenberg	x			
Haggerty				x
Hilderbran	x			
Puente				x
Yost	x			

Total
6 aye
0 nay
0 present, not voting
3 absent

Ron Lewis
CHAIRMAN
Deborah K. McCabe
COMMITTEE COORDINATOR

SJR 34
By: Montford
H. Sponsor: R. Oliveira

Committee on
Natural Resources

RESOLUTION ANALYSIS

BACKGROUND

In 1989, the voters of Texas approved a constitutional amendment authorizing \$500 million in water bonds and, at the same time, dedicated 20% or \$100 million of the new water bonds to water and wastewater facilities for economically distressed areas (such as colonias).

The \$100 million dedication to economically distressed areas has already been committed to 13 colonias projects, but there are many other areas that need the same type of assistance. The 13 projects under way will assist 50,000 residents of colonias, but conservative estimates indicate there are at least 150,000 residents of colonias needing this type of assistance.

PURPOSE OF THE BILL

This resolution would provide a constitutional amendment for 50%, rather than 20%, of the existing \$500 million water bond authorization to be used for water and wastewater facilities in economically distressed areas.

RESOLUTION SYNOPSIS

SECTION 1. Amends Article III, Section 49-d-7(e), Texas Constitution, by increasing the amount of bonds that may be issued for economically distressed areas from 20% to 50% of the total amount of bonds issued under this section.

SECTION 2. Directs this proposed amendment to be submitted to the voters on November 5, 1991.

RULEMAKING AUTHORITY

It is the opinion of this committee that this bill does not delegate rulemaking authority to any state agency, officer, department, or institution.

SUMMARY OF COMMITTEE ACTION

Notice was posted in accordance with House Rules, and SJR 34 was heard in a public hearing of the full committee on May 6, 1991. Testimony was taken in favor of the resolution. Testimony was taken on the resolution. A witness was present in favor who did not testify on the resolution. The motion to report SJR 34 favorably back to the full House carried by a vote of 6 ayes, 0 nay, 0 PNV and 3 absent.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

May 1, 1991

TO: Honorable Ron Lewis, Chair
Committee on Natural Resources
House of Representatives
Austin, Texas

IN RE: Senate Joint Resolution No. 34,
as engrossed
By: Montford

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 34, as engrossed (proposing a constitutional amendment to increase the amount of bonds that may be issued for economically distressed areas under existing bond authorization) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution would amend an amendment to the constitution which was passed by the voters in November 1989. The prior amendment provided for the issuance of \$500 million in general obligation bonds to finance water supply, water quality and flood control projects undertaken by political subdivisions. That amendment, as adopted, authorized the Legislature to provide subsidized loans and grants to provide water and wastewater facilities to economically distressed areas in an amount not to exceed 20 percent of the authorization, or \$100 million.

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It is anticipated that units of local governments participating in the economically distressed area program would realize a savings of \$314,466,347 in the financing of projects authorized by the bill.

Source: Bond Review Board, Texas Water Development Board;
LBB Staff: JO, JWH, DF, LD, CKM

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE

April 15, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Committee Substitute for
Senate Joint Resolution No. 34

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution No. 34 (proposing a constitutional amendment to increase the amount of bonds that may be issued for economically distressed areas under existing bond authorization) this office has determined the following:

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Source: Bond Review Board, Texas Water Development Board;
LBB Staff: JO, JWH, DF, LD, PA

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

REVISED

April 11, 1991

TO: Honorable John Montford, Chairman IN RE: Senate Joint Resolution No. 34
Committee on Finance By: Montford
Senate Chamber
Austin, Texas

FROM: Jim Oliver, Director

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The resolution would increase the amount of the \$500 million authorization that may be devoted to economically distressed areas from 20 percent to 50 percent. This equates to an increase in bonds from \$100 million to \$250 million.

It is assumed that the maximum grant authorization would be used and that general revenue would be used to pay back 75 percent of each of six \$50 million annual bond issues.

The probable cost of implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Cost Out of the General Revenue Fund</u>
1992	\$ 0
1993	0
1994	0
1995	1,707,041
1996	3,414,083

Similar annual costs would continue to increase to \$15 million from 2001 through 2015 and then decline to \$2.5 million in 2020, the last year of the payout. Total payout for the bond issues would amount to approximately \$215 million.

It is anticipated that units of local governments participating in the economically distressed area program would realize a savings of \$314,466,347 in the financing of projects authorized by the bill.

Source: Bond Review Board, Texas Water Development Board;
LBB Staff: JO, JWH, DF, LD, PA

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 22, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 34
By: Montford

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 34 (proposing a constitutional amendment to authorize the use of existing bond authorization for economically distressed areas) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution would amend an amendment to the constitution which was passed by the voters in November 1989. The prior amendment provided for the issuance of \$500 million in general obligation bonds to finance water supply, water quality and flood control projects undertaken by political subdivisions. That amendment, as adopted, authorized the Legislature to provide subsidized loans and grants to provide water and wastewater facilities to economically distressed areas in an amount not to exceed 20 percent of the authorization, or \$100 million.

The resolution would increase the amount of the \$500 million authorization that may be devoted to economically distressed areas from 20 percent to 50 percent. This equates to an increase in bonds from \$100 million to \$250 million.

It is assumed that the maximum grant authorization would be used and that general revenue would be used to pay back 75 percent of each of three \$50 million annual bond issues.

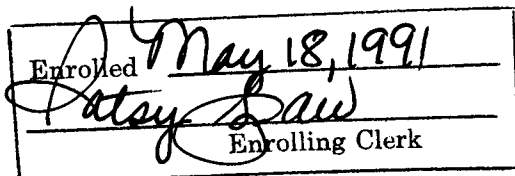
The probable cost of implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Cost Out of the General Revenue Fund</u>
1992	\$ -0-
1993	-0-
1994	3,750,000
1995	7,500,000
1996	11,250,000

Similar annual costs would continue as long as the provisions of the resolution are in effect.

The fiscal implication to units of local government cannot be determined.

Source: Bond Review Board;
LBB Staff: JO, JWH, DF, LD, LC



S.J.R. No. 34

SENATE JOINT RESOLUTION

proposing a constitutional amendment to increase the amount of bonds that may be issued for economically distressed areas under existing bond authorization.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III, Section 49-d-7(e), of the Texas Constitution is amended to read as follows:

(e) The legislature may provide by law for subsidized loans and grants from the proceeds of bonds authorized by this section to provide wholesale and retail water and wastewater facilities to economically distressed areas of the state as defined by law, provided, the principal amount of bonds that may be issued for the purposes under this subsection may not exceed 50 [20] percent of the total amount of bonds authorized by this section. Separate accounts shall be established in the water development fund for administering the proceeds of bonds issued for purposes under this subsection, and an interest and sinking fund separate from and not subject to the limitations of the interest and sinking fund created pursuant to Section 49-c for other Texas water development bonds is established in the State Treasury to be used for paying the principal of and interest on bonds for the purposes of the subsection. While any of the bonds authorized for the purposes of this subsection or any of the interest on those bonds is outstanding and unpaid, there is appropriated out of the first money coming into the State Treasury in each fiscal year, not

filed
check

S.J.R. No. 34

1 otherwise appropriated by this constitution, an [and] amount that
2 is sufficient to pay the principal of and interest on those bonds
3 issued for the purposes under this subsection that mature or become
4 due during that fiscal year.

5 SECTION 2. This proposed constitutional amendment shall be
6 submitted to the voters at an election to be held November 5, 1991.
7 The ballot shall be printed to provide for voting for or against
8 the proposition: "The constitutional amendment to increase from 20
9 percent to 50 percent the percentage of Texas water development
10 bonds previously authorized by Texas voters that may be issued for
11 economically distressed areas."

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 34 was adopted by the Senate
on April 18, 1991, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 34 was adopted by the House
on May 17, 1991, by the following vote: Yeas 125, Nays 9, one
present not voting.

Chief Clerk of the House

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

May 1, 1991

TO: Honorable Ron Lewis, Chair
Committee on Natural Resources
House of Representatives
Austin, Texas

IN RE: Senate Joint Resolution No. 34,
as engrossed
By: Montford

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 34, as engrossed (proposing a constitutional amendment to increase the amount of bonds that may be issued for economically distressed areas under existing bond authorization) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution would amend an amendment to the constitution which was passed by the voters in November 1989. The prior amendment provided for the issuance of \$500 million in general obligation bonds to finance water supply, water quality and flood control projects undertaken by political subdivisions. That amendment, as adopted, authorized the Legislature to provide subsidized loans and grants to provide water and wastewater facilities to economically distressed areas in an amount not to exceed 20 percent of the authorization, or \$100 million.

The resolution would increase the amount of the \$500 million authorization that may be devoted to economically distressed areas from 20 percent to 50 percent. This equates to an increase in bonds from \$100 million to \$250 million.

It is assumed that the maximum grant authorization would be used and that general revenue would be used to pay back 75 percent of each of six \$50 million annual bond issues.

The probable cost of implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

<u>Fiscal</u> <u>Year</u>	<u>Probable Cost</u> <u>Out of the</u> <u>General Revenue Fund</u>
1992	\$ 0
1993	0
1994	0
1995	1,707,041
1996	3,414,083

Similar annual costs would continue to increase to \$15 million from 2001 through 2015 and then decline to \$2.5 million in 2020, the last year of the payout. Total payout for the bond issues would amount to approximately \$215 million.

It is anticipated that units of local governments participating in the economically distressed area program would realize a savings of \$314,466,347 in the financing of projects authorized by the bill.

Source: Bond Review Board, Texas Water Development Board;
LBB Staff: JO, JWH, DF, LD, CKM

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE

April 15, 1991

TO: Honorable John Montford, Chairman IN RE: Committee Substitute for
Committee on Finance Senate Joint Resolution No. 34
Senate Chamber
Austin, Texas

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution No. 34 (proposing a constitutional amendment to increase the amount of bonds that may be issued for economically distressed areas under existing bond authorization) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution would amend an amendment to the constitution which was passed by the voters in November 1989. The prior amendment provided for the issuance of \$500 million in general obligation bonds to finance water supply, water quality and flood control projects undertaken by political subdivisions. That amendment, as adopted, authorized the Legislature to provide subsidized loans and grants to provide water and wastewater facilities to economically distressed areas in an amount not to exceed 20 percent of the authorization, or \$100 million.

The resolution would increase the amount of the \$500 million authorization that may be devoted to economically distressed areas from 20 percent to 50 percent. This equates to an increase in bonds from \$100 million to \$250 million.

It is assumed that the maximum grant authorization would be used and that general revenue would be used to pay back 75 percent of each of six \$50 million annual bond issues.

The probable cost of implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Cost Out of the General Revenue Fund</u>
1992	\$ 0
1993	0
1994	0
1995	1,707,041
1996	3,414,083

Similar annual costs would continue to increase to \$15 million from 2001 through 2015 and then decline to \$2.5 million in 2020, the last year of the payout. Total payout for the bond issues would amount to approximately \$215 million.

It is anticipated that units of local governments participating in the economically distressed area program would realize a savings of \$314,466,347 in the financing of projects authorized by the bill.

Source: Bond Review Board, Texas Water Development Board;
LBB Staff: JO, JWH, DF, LD, PA

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE

REVISED

April 11, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 34
By: Montford

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 34 (proposing a constitutional amendment to authorize the use of existing bond authorization for economically distressed areas) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution would amend an amendment to the constitution which was passed by the voters in November 1989. The prior amendment provided for the issuance of \$500 million in general obligation bonds to finance water supply, water quality and flood control projects undertaken by political subdivisions. That amendment, as adopted, authorized the Legislature to provide subsidized loans and grants to provide water and wastewater facilities to economically distressed areas in an amount not to exceed 20 percent of the authorization, or \$100 million.

The resolution would increase the amount of the \$500 million authorization that may be devoted to economically distressed areas from 20 percent to 50 percent. This equates to an increase in bonds from \$100 million to \$250 million.

It is assumed that the maximum grant authorization would be used and that general revenue would be used to pay back 75 percent of each of six \$50 million annual bond issues.

The probable cost of implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Cost Out of the General Revenue Fund</u>
1992	\$ 0
1993	0
1994	0
1995	1,707,041
1996	3,414,083

Similar annual costs would continue to increase to \$15 million from 2001 through 2015 and then decline to \$2.5 million in 2020, the last year of the payout. Total payout for the bond issues would amount to approximately \$215 million.

It is anticipated that units of local governments participating in the economically distressed area program would realize a savings of \$314,466,347 in the financing of projects authorized by the bill.

Source: Bond Review Board, Texas Water Development Board;
LBB Staff: JO, JWH, DF, LD, PA

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE

March 22, 1991

TO: Honorable John Montford, Chairman IN RE: Senate Joint Resolution No. 34
Committee on Finance By: Montford
Senate Chamber
Austin, Texas

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 34 (proposing a constitutional amendment to authorize the use of existing bond authorization for economically distressed areas) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the resolution.

The resolution would amend an amendment to the constitution which was passed by the voters in November 1989. The prior amendment provided for the issuance of \$500 million in general obligation bonds to finance water supply, water quality and flood control projects undertaken by political subdivisions. That amendment, as adopted, authorized the Legislature to provide subsidized loans and grants to provide water and wastewater facilities to economically distressed areas in an amount not to exceed 20 percent of the authorization, or \$100 million.

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The probable cost of implementing the provisions of the resolution during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	<u>Probable Cost Out of the General Revenue Fund</u>
1992	\$ -0-
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1994	3,750,000
1995	7,500,000
1996	11,250,000

Similar annual costs would continue as long as the provisions of the resolution are in effect.

The fiscal implication to units of local government cannot be determined.

Source: Bond Review Board;
LBB Staff: JO, JWH, DF, LD, LC

Rec'd
J.V.
C.

3/9cert

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 34 was adopted by the Senate on April 18, 1991, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 34 was adopted by the House on May 17, 1991, by the following vote: Yeas 125, Nays 91. *1 present not voting*

Chief Clerk of the House

Murphy
Lucio
Zaffarini

3-8-91

MAR 12 1991

Filed with the Secretary of the Senate

Read and referred to Committee on FINANCE

Reported favorably

APR 16 1991

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed

APR 18 1991

Laid before the Senate

Senate and Constitutional Rules to permit consideration suspended by:

unanimous consent

____ years, ____ nays

APR 18 1991

Read second time, _____, and ordered engrossed by:

unanimous consent
a viva voce vote

____ years, ____ nays

APR 18 1991

Caption ordered amended to conform to the body of the bill.

APR 18 1991

Senate and Constitutional 3 Day Rule suspended by a vote of 30 yeas, 0 nays.Read third time, _____, and passed by: 30 yeas, 0 nays

Betty King

SECRETARY OF THE SENATE

OTHER ACTION:

April 18, 1991
April 22, 1991

Engrossed

Sent to House

Engrossing Clerk

APR 22 1991

Received from the Senate

APR 29 1991

Read first time and referred to Committee on

Natural Resources
4:25 pm 7 May 91

6 May 91

Reported ~~favorably~~ amended, sent to Printer

MAY 07 1991

Printed and Distributed

8:56p

MAY 8 1991

Sent to Committee on Calendars

6:49p

MAY 17 1991

Read Second time (amended) and finally adopted

~~failed adoption~~ by Record Vote of 125 yeas, 9 nays 1 present not voting.

Read third time (amended) and finally adopted

failed adoption by Record Vote of _____ yeas, _____ nays _____ present not voting.

Caption ordered amended to conform to body of bill.

MAY 18 1991

Returned to Senate.

Betty Murray

CHIEF CLERK OF THE HOUSE

MAY 18 1991

Returned from House without amendment.

Returned from House with _____ amendments.

Concurred in House amendments by a viva voce vote _____ yeas, _____ nays.

_____ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

_____ Senate conferees instructed.

_____ Senate conferees appointed: _____, Chairman; _____
_____, _____, and _____

_____ House granted Senate request. House conferees appointed: _____, Chairman;
_____, _____, _____, _____

_____ Conference Committee Report read and filed with the Secretary of the Senate.

_____ Conference Committee Report adopted on the part of the House by: _____

{ a viva voce vote
_____ yeas, _____ nays

_____ Conference Committee Report adopted on the part of the Senate by: _____

{ a viva voce vote
_____ yeas, _____ nays

OTHER ACTION:

_____ Recommitted to Conference Committee

_____ Conferees discharged.

_____ Conference Committee Report failed of adoption by: _____

{ a viva voce vote
_____ yeas, _____ nays

91 MAY -7 PM 8:56
HOUSE OF REPRESENTATIVES